

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6647**

**BILL NUMBER:** SB 259

**NOTE PREPARED:** Feb 28, 2006

**BILL AMENDED:** Feb 28, 2006

**SUBJECT:** End Date for Capture of Certain Funds for Stadium.

**FIRST AUTHOR:** Sen. Kenley

**FIRST SPONSOR:** Rep. Espich

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides immunity from personal liability and accountability to the members, Executive Director, officers, and employees of the Indiana Stadium and Convention Building (ISCB) Authority for acts authorized by the ISCB Authority's enabling statute.

The bill provides conditions under which the ISCB Authority Board may negotiate with a single bidder.

The bill provides for the termination of the annual capture of \$11,000,000 of state revenue for use to pay obligations owed by the Marion County Capital Improvement Board to the Indiana Stadium and Convention Building Authority or a state agency. The bill provides that after January 1, 2010, the annual capture terminates in the year following the first year when none of the obligations remain outstanding.

**Effective Date:** May 14, 2005 (retroactive); July 1, 2006.

**Explanation of State Expenditures:** (Revised) Under the bill, if the Indiana Stadium and Convention Building Authority (ISCBA) receives only one bid for the construction of a capital improvement, it may negotiate a more advantageous proposal and contract with the single bidder, if it determines that: (1) rebidding is not practicable or advantageous; or (2) rebidding would adversely affect the construction schedule or budget of the project. The potential impact on project costs involving stadium and convention center improvements is indeterminable and would depend on action by the ISCBA.

In the event the ISCBA receives only one bid on a capital improvement project, the bill requires the ISCBA to prepare a bid file containing various documents, including:

- (1) all the documents included as part of the invitation for bids;
- (2) a list of all persons to whom copies of the invitation for bids were given;
- (3) the basis on which the bid was accepted;
- (4) documentation of the negotiating process with the bidder;
- (5) the entire contents of the contract file except for proprietary information included with the bid not required to be made public by the terms of the invitation for bids.

**Explanation of State Revenues:** The bill requires the annual capture limit in the Marion County Professional Sports Development Area (PSDA) to be reduced from \$16 M to \$5 M once no obligations for stadium and convention center improvements are owed to the Indiana Stadium and Convention Building Authority (ISCBA) by the Marion County Capital Improvement Board (CIB).

Current statute allows the State Budget Director to increase the state income and sales tax capture limit in the Marion County PSDA from \$5 M annually to \$16 M annually from July 1, 2007, to January 1, 2041. This determination was required on or before October 1, 2005, as a condition of the ISCBA issuing more than \$500 M in bonds to finance stadium and convention center capital improvements. This determination has been made by the State Budget Director. The additional money captured in the PSDA is to be distributed to the Marion County CIB. Currently, payments from the CIB to the ISCBA for stadium and convention center improvements are expected to continue through 2040.

Individual AGI Tax and Sales and Use Tax collections in the Marion County PSDA exceeded the \$5 M capture limit by \$3.89 M in FY 2002, \$4.2 M in FY 2003, and \$5.5 M in FY 2004. Currently, the Marion County PSDA includes Conseco Fieldhouse, the Indiana Convention Center, the RCA Dome, Victory Field, the Colts' practice facility, and the site of Indiana Stadium.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See *Explanation of State Revenues*.

**State Agencies Affected:** Indiana Stadium and Convention Building Authority.

**Local Agencies Affected:** Marion County CIB.

**Information Sources:** Ryan Kitchell, Indiana Finance Authority, (317) 233-4334.

**Fiscal Analyst:** Jim Landers, 317-232-9869.